

AUDIT OF TRAVEL CARD DELINQUENCIES

AUDIT PROGRAM

PART I - INTRODUCTION

PURPOSE:

To provide Internal Review (IR) offices background and recommended audit steps to use during a Limited Scope Audit of Government Travel Card Delinquencies. Internal Review Offices should use this guide, subject to any modifications the local commander or the auditor deems necessary during this audit.

REFERENCES:

1. DOD Financial Management Regulation (DOD 7000.14-R), Volume 9 (Travel Policy and Procedures), April 2000.
2. Management Control Evaluation Checklist for the Government Travel Charge Card Program.
3. Home Page, Assistant Secretary of the Army (Financial Management and Comptroller), [http:// www.asafm.army.mil](http://www.asafm.army.mil) (click on the Travel Charge Card button for additional guidance).
4. USARC Regulation 37-2, Government Travel Charge Card Program, 1 May 98.
5. Army Regulation 11-2, Management Control.
6. Vice Chief of Staff (VCSA) Memorandum, 20 Oct 00.
7. USARC DCG Memorandum, 3 Nov 00. Note the VCSA's enclosure entitled "Management of the Travel Card Program."
8. USARC DCG Memorandum, 11 Sep 00.

OVERALL OBJECTIVE: To determine if policies and procedures have been established and are effective in managing and reducing Travel Charge Account delinquencies in the command. Delinquency is defined as balances unpaid, 60 or more days from statement date.

SCOPE: Travel charge card accounts for the 3 month period ending 11 Jan 01.

Enclosure 4

PART II –AUDIT STEPS

A. Preliminary Steps:

1. Obtain and Review:

- a. DOD Financial Management Regulation (DOD 7000.14-R), Volume 9 (Travel Policy and Procedures), Dec 96.
 - b. HQDA Letter 37-97-1 (Government Travel Charge Card Program), 14 Aug 97.
 - c. Army Travel Charge Card Training Package.
 - d. Management Control Evaluation Checklist for the Government Travel Charge Card Program.
 - e. Supplemental MACOM and unit/activity policies/procedures.
2. Contact the local Inspector General, Staff Judge Advocate or Criminal Investigation offices to determine if there is a history of problems associated with the Travel Charge Card Program or if there have been prior reviews/inspections. Review prior IR audits of the Travel Charge Card Program.
3. Contact your Management Control Administrator to determine whether any material weaknesses have been reported, and whether any management control evaluations have been performed, or are planned.

B. Specific Steps:

1. Objective: Determine if procedures are established and followed to manage Travel Card Program Delinquencies.

- (a) Identify and document command's policies and procedures for managing and resolving outstanding delinquent accounts.
- (b) Contact your Agency Program Coordinators (APCs) to obtain relevant data of any other travel charge card problems/issues that would be relevant to this audit.
- (c) Does the APC:
 - (1) Review delinquency reports and lists of delinquent personnel and inform supervisors of cardholder delinquency? If so, how often does the APC review these items?

- (2) Advise delinquent cardholders, with copy furnished to cardholder's supervisor, with 60-day, 90-day, and 120-day notice letters.
- (d) Does the cardholder's supervisor:
 - (1) Take action with delinquent cardholders, i.e., counsel on card delinquency; help obtain loans or arrange for repayment schedules with Bank of America; take appropriate disciplinary actions.
 - (2) Document all actions taken to resolve delinquent accounts.
- (e) Does the command emphasize the use of split disbursements when filing travel vouchers?
- (f) Determine whether the command uses account activation & deactivation for high-risk cardholders.
- (g) Review delinquency reports to confirm whether individual(s) identified as delinquent, are actual members of your unit(s), and whether each individual(s) was, or is, properly classified as being in a delinquent (60+ days overdue) status.
- (h) Determine primary reasons for delinquencies, if any.

2. Objective: Determine what actions command has taken or proposed to fully implement the Vice Chief of Staff's directive and the effect of the actions taken.

- (a) Identify and document command's corrective actions for implementing the Vice Chief of Staff's directive to reduce overall account delinquencies by 50-percent by 31 Mar 01, and to reduce delinquencies to no more than 4 percent of cardholders as soon as possible;
- (b) Document any other actions command has taken, or will take as a result of this audit, to reduce - and prevent - card account delinquencies.
- (c) Compare the baseline delinquency rate (Aging Analysis Report dated 11 Oct 00) to the rate of 11 Jan 01 to determine if actions subsequent to the VCSA's directive have resulted in reducing the delinquency rate.
- (d) Reports provided by Contractor for each APC (Appendix A)

PART III – SAMPLE REPORT FORMAT

As a guide for your use and information, below is a sample report format you may use. This will provide consistency for all reports received from throughout the USAR. This is only a guide to use, however your written report should include basic areas of discussion, such as: Introduction; Executive Summary; Objectives, Scope, and Method of Review; Findings (if any) should include Condition; Cause; Effect; Suggestions or Recommendations for Corrective Action; any potential monetary benefits; and, Management Comments.

SAMPLE REPORT FORMAT

MEMO REF #

Date

MEMORANDUM FOR

SUBJECT: Audit of Delinquencies in the Government Travel Charge Card Program

1. Introduction.

2. Executive Summary.

3. Objectives, Scope, and Method of Review.

4. Background.

5. Finding(s). (If applicable)...Include:

- Condition;
- Cause;
- Effect;
- Recommendations or suggestions for corrective action;
- Any potential monetary benefits.

6. Management Comments. Concur or Non-concur, and any additional comments from management.

031003. Reports Provided by Card Contractor for Each APC

A. Cardholder Account Listing. This report identifies cardholder names, addresses, telephone numbers, SSNs, and account numbers assigned under the APC organization.

B. Account Activity Report. This report identifies travel cardholder activity and ATM usage during the recent billing cycle.

C. Delinquency Report. This report identifies delinquent cardholders and ages delinquencies by time frame (i.e., 30, 60, 90, 120 or more days).

D. Pre-Suspension/Pre-Cancellation Report. This report lists accounts eligible for suspension or cancellation and identifies account names, account numbers, status, balances past due, and the number of days that each account is past due.

E. Suspension/Cancellation Report. This report lists accounts that have been suspended or canceled and identifies account names, account numbers, status (suspended or canceled), date of status, balances past due, and the number of days that each account is past due.

F. Renewal Report. This report identifies those cardholders whose cards are coming due for renewal. APCs shall review the information on this report monthly and take appropriate action.

0311 EFFECTIVE DATE AND IMPLEMENTATION. The policies addressed in this chapter are effective immediately. Policies addressed in section 0303, however, will apply only to travel beginning after April 30, 2000, and any labor relations obligation under Title 5, United States Code, chapter 71 shall be fulfilled prior to implementation of the policy with respect to employees represented by unions.